



DEPARTMENT OF THE AIR FORCE

HEADQUARTERS AIR FORCE MATERIEL COMMAND
WRIGHT-PATTERSON AIR FORCE BASE OHIO

U.S. AIR FORCE



1947 - 1997

61 JUL 1997

MEMORANDUM FOR SEE DISTRIBUTION

FROM: HQ AFMC/LG

4375 Chidlaw Road, Suite 6

Wright-Patterson AFB OH 45433-5006

SUBJECT: Control of Access to DoD Materiel Required by Defense Contracts

1. The purpose of this memo is to reiterate the requirement that all Repair (EZ Stock Record Account Number (SRAN)), Production (EY SRAN), Contractor Logistics Support and Interim Contractor Support contracts which authorize Government Furnished Property (GFP) (Agency Peculiar and Government Furnished Material/Equipment) must identify such items both by National Stock Number (NSNs) and quantities. Please insure this Memo is distributed to all Program Offices.
2. Several DoD and AFAA audits have cited lax controls concerning the management of Air Force GFP in support of the types of contracts shown above. In 1991, DoD directed new procedures which require all requisitions to ~~pass~~ through a management control activity for validation. To further enhance control, OASD (Logistics) MRM Memo, 14 Jun 93, provided the additional requirement to provide a valid contracting document, citing the NSN and the quantity authorized for release to contractors. Previous DoD policy allowed for the listing of GFP by Federal Stock Class in lieu of NSN without regard to the number of units to be released. Refer all request for waivers from the policy specified in the above memorandum to the Assistant Deputy Assistant Secretary of Defense for Materiel and Resource Management Policy, ADASD (Logistics) MRM through HQ AFMC/LGI.

3. Point of contact is Ms. Mary E. Johnson, HQ AFMCLGIA, DSN 787-7230, email address: mjohnson@wpgate1.wpafb.af.mil, Fax number DSN 986-2079.

70-41, Atch 97-12E (FAR 45)

Post to FAR 45.303 by circling the reference and noting in the margin: "Sec 70-41, Atch 97-12E which reiterate the requirement to identify GFP by NSNs and quantities." Then file the atch behind the sups to FAR 45.

THOMAS W. BATTERMAN
Deputy Director
Directorate of Logistics

Attachment:

OASD (Logistics) MRM Memo, 14 Jun 93

2000-2-W

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Dir:

DATE: 7-2-97
DATE OUT: 7-10-97



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-6000

June 14, 1993

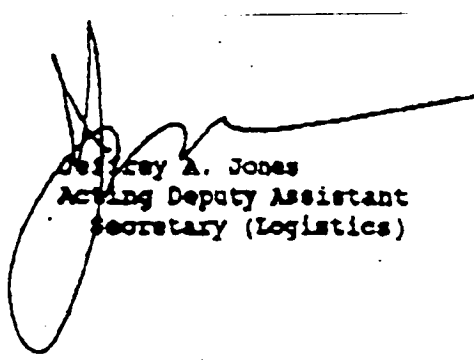
(L/MRM)

MEMORANDUM FOR OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
(INSTALLATIONS, LOGISTICS AND ENVIRONMENT)
OFFICE OF THE ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
OFFICE OF THE ASSISTANT SECRETARY OF THE AIR FORCE
(ACQUISITION)
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Control of Access to DoD Materiel Required by Defense
Contracts

The material at Attachment (A) was inadvertently omitted from the
DoD Materiel Management Regulation, DoD 4140.1-X. It will be
incorporated formally when Change Number 1 is issued. This subject
was contained in DoD Instruction 4140.48, "Control of Access to DoD
Material Inventories Required by Defense Contracts," March 2, 1983,
~~per its cancellation.~~

*Sum & 4140.48
per 4140.48*


Jeffrey A. Jones
Acting Deputy Assistant
Secretary (Logistics)

Attachment

Control of Access to DoD Materiel Required by Defense Contracts

1. General

a. This section establishes policies and responsibilities for authorizing access to DoD materiel inventories under Defense contracts.

b. Use DoD 4000.25-1-M, "Military Standard Requisitioning and Issue Procedures," May 1, 1987, as amended, to provide DoD materiel to a contractor when, for reasons of significant economy, standardization, or expedited production, or when it is, otherwise, in the Government's best interest.

c. Document and consider a decision to provide, or not to provide, DoD materiel to a contractor as a part of the maintenance and supply support elements of integrated logistics support planning.

d. Give special attention to stock levels above the approved acquisition objective (AAO).

2. Procedures

~~Each DoD Component authorizing the use of DoD materiel by contractors shall establish one of more management control activities (MCA) to maintain control over all requisitions submitted to the DoD wholesale supply system by contractors and by DoD Component activities when such DoD Component activity requisitions indicate shipment to a contractor. The MCA shall implement procedures specified in DoD 4000.25-1-M and shall establish a system which:~~

(1) ~~Validates and approves all contractor-initiated requisitions and DoD-initiated materiel requisitions which are coded for direct shipment to a contractor.~~

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(2) ~~restricts contractor access to specific predetermined items and quantities of those items by ensuring requisition validity, adequate authority, and consistency with the terms of an existing contract.~~

(3) Rejects contractor and DoD-initiated materiel requisitions that do not comply with the requirements of an existing contract.

(4) Passes approved requisitions to the appropriate DoD source for supply action.

(5) Maintains a continuing record of the quantity of each item authorized as government property provided to contractors by individual contracts and to decrement the quantity authorized by the appropriate amount each time a requisition for the item is validated for issue.

(6) Causes DoD supply sources to provide notification of shipment of DoD materiel to the MCA which validated the requisition for comparison of DoD materiel shipment notifications with validation records to verify that no shipment has been made without a corresponding record of validation.

b. DoD supply sources shall refer requisitions for DoD materiel provided to contractors that have not passed through, and been approved by, an MCA back to the cognizant MCA for review and appropriate action.

c. MCAs shall establish a management reporting system that:

(1) Maintains a contract, requisition, and shipment status history file that serves as an auditable record of transactions involving DoD materiel provided to contractors.

(2) Provides the DoD contract administration offices (CAOs) a status report showing all shipments of DoD materiel to contractors and to DoD activities for subsequent shipment to contractors as well as all materiel requisitions that were rejected.

d. Information Requirements. Each MCA shall prepare the DoD materiel status report required by subparagraph 2.c.(2) above for the quarterly reporting periods ending ~~March 31, June 30, September 30,~~ and December 31, using DD Form 2543. Provide the report to the cognizant DoD CAOs. Report Control Symbol DD-P&L(0)1575 applies.

3. Responsibilities

a. The Deputy Assistant Secretary of Defense for Logistics shall develop policy for and monitor the control of access to DoD inventories.

b. The Heads of DoD Components shall implement the policy in this Regulation and shall:

(1) Establish all required MCAs.

(2) Execute all procedures specified in DoD 4000.25-1-H.

~~(3)~~ Refer all requests for waivers from the policy specified in this memorandum to the Assistant Deputy Assistant Secretary of Defense for Materiel and Resource Management Policy, ADASD (Logistics) MRM.

c. The Director, Defense Logistics Management Standards Office (HQ Defense Logistics Agency, ATTN: CAIL/DLMSO), shall develop and maintain procedures supporting the policies cited in this memorandum to control contractor access to DoD material inventories.